



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Legislative Fiscal Analyst
CLAYTON SCHENCK

DATE: February 22, 2008

TO: Representative Erickson, Senator Bales, Senator Brueggeman, Senator Wanzonried

FROM: Kris Wilkinson, Legislative Fiscal Division

RE: Montana State Fund/Workers' Compensation Subcommittee Agenda and Meeting Materials

Enclosed with this memorandum please find the following materials for the subcommittee meeting to be held at 10:00 a.m. March 6, 2008.

- Meeting Agenda
- Draft Summary Minutes of the December 12, 2007 subcommittee meeting, audio minutes of the first meeting are available on our website
- Letter from the Montana State Fund Board of Directors in response to the budget presented on a cash basis
- Memorandum on the Interim Economic Affairs Committee panel discussion on workers' compensation
- MSF Budget Summary presented on a cash basis and an accrual basis for both the Old Fund and the New Fund. Please note the main difference between the two presentations is that the New Fund budget on the cash basis shows the amount of cash which MSF will pay out in benefits in the current year for both those premiums collected in the current year and those previously collected, the accrual basis shows the estimated cost of benefits the New Fund will have to provide on the premiums collected in the current year. Premiums must cover the entire cost of providing benefits over the long tail of 40 years plus the current years operating costs.
- A draft of the power point presentation by Mike Taylor, NCCI. He will be making some changes to focus additional time to loss costs and loss cost multiplier calculations.
- A listing of questions sent to the State Auditor's Office on the types of financial information required of private workers' compensation companies.

Please feel free to contact me in advance if you have additional questions or requests for other information as part of the subcommittee meeting.